



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 16, 2009

H.R. 1323 **Reducing Information Control Designations Act**

*As ordered reported by the House Committee on Oversight and Government Reform
on March 10, 2009*

SUMMARY

H.R. 1323 would amend federal law concerning the security classification of government documents. The legislation would require the National Archives and Records Administration, in consultation with other affected federal agencies, to develop regulations that minimize the government's use of information-control designations on information that is not classified. The bill also would require training for employees on using classifications and random audits by inspectors general to assess the proper use of information-control designations.

CBO estimates that implementing H.R. 1323 would cost \$45 million over the 2010-2014 period, assuming appropriation of the necessary amounts. Although the legislation could affect agencies not funded through annual appropriations (such as the Tennessee Valley Authority or the U.S. Postal Service), CBO estimates that any net increase in spending by those agencies would not be significant. As a result, enacting the bill would have no significant impact on direct spending or revenues.

H.R. 1323 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1323 is shown in the following table. The costs of this legislation fall within most budget functions that contain salaries and expenses.

| | By Fiscal Year, in Millions of Dollars | | | | | 2010- 2014 |
|---|--|------|------|------|------|---------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | |
| CHANGES IN SPENDING SUBJECT TO APPROPRIATION | | | | | | |
| Estimated Authorization Level | 15 | 15 | 5 | 5 | 5 | 45 |
| Estimated Outlays | 15 | 15 | 5 | 5 | 5 | 45 |

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted near the end of fiscal year 2009 and that spending will follow historical patterns for similar programs.

Based on the information provided by federal agencies and inspectors general about the current use of information-control designations, CBO estimates that implementing H.R. 1323 would cost \$45 million over the 2010-2014 period, assuming appropriation of the necessary amounts. Initial costs for developing regulations and implementing governmentwide training would total about \$30 million and would be incurred in 2010 and 2011. Ongoing costs would total about \$15 million over the 2012-2014 period, mostly for subsequent training and random audits by inspectors general.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1323 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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